

**(Translation)**

**Minutes of the Extra General Meeting of Shareholders no. 1/2013  
Of  
Banpu Public Company Limited**

The Meeting was convened on 9 September, 2013 at 13.00 hours at Plaza Athenee I, Plaza Athenee Bangkok, A Royal Meridien Hotel, No. 61 Wireless Road, Lumpini, Pathumwan, Bangkok and presided over by Mr. Krirk-Krai Jirapaet, Chairman of the Board of Banpu Public Company Limited (“Chairman”)

Mrs. Boonsiri Charusiri, the Company Secretary, presented the shareholders with the video presentation of Good Corporate Governance with regard to the shareholders meeting of listed companies of which the Stock Exchange of Thailand and Thai Listed Company Association would like the listed companies to disseminate to their shareholder.

The Company Secretary informed the Meeting of the ten major shareholders of the Company as of 6 March 2013 which was the Record Date for collecting the names of the shareholders pursuant to Section 225 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551, by closing the share register book of the Company on 7 March 2013, which was the closing date of the Company’s shares register book for determining the rights of shareholders to attend the Annual General Meeting for the year 2013, with the following details:

<b>Major Shareholders</b>	<b>Number of shares held</b>	<b>(%)</b>
1. THAI NVDR CO., LTD.	22,356,730.00	8.23
2. MITR PHOL SUGAR CORP., LTD.	14,406,408.00	5.30
3. BANPU PUBLIC CO., LTD	13,560,000.00	4.99
4. TME CAPITAL CO., LTD.	6,151,600.00	2.26
5. MR. ISARA VONGKUSOLKIT	6,150,444.00	2.26
6. HSBC (SINGAPORE) NOMINEES PTE LTD	4,883,150.00	1.80
7. GIC PRIVATE LIMITED - C	4,645,800.00	1.71
8. MR. KAMOL VONGKUSOLKIT	4,309,621.00	1.59
9. STATE STREET BANK EUROPE LIMITED	4,110,312.00	1.51
10. MR. VITOON VONGKUSOLKIT	3,710,911.00	1.37

The Chairman informed that at the commencement of the Meeting, there were 889 shareholders attending in person and 799 shareholders attending by proxy, totally 1,688 shareholders representing 96,359,471 shares, equivalent to 37.32 per cent of the total 258,187,855 shares which have been issued and distributed, the quorum was, then, constituted in accordance with the law and Clause 34 of the Articles of Association of the Company, stipulating that in a general shareholders' meeting, in order to form a quorum at least twenty-five shareholders or proxies (if any) or at least half of all shareholders, and representing at least one-thirds of shares distributed shall be required.

The total 258,187,855 shares sold were calculated from the Company's total shares of 271,747,855 shares less 13,560,000.00 ordinary shares the Company had bought back under the share repurchase program. This was in compliance with Section 66/1 of the Public Company Act (No. 2) B.E. 2544 (2001) which states in its provision relating to stock repurchase by the company that "shares currently held by the company will not be part of a quorum at the shareholders' meeting; nor shall they have any right to vote or receive dividend."

The Chairman convened the meeting, welcomed the shareholders and introduced to the Meeting the directors, managements and auditors attended the Meeting in order to deliver additional information and answer the questions to the Meeting. In addition, the Company invited the Legal Advisor to act as observer for transparency of the Meeting and to comply with the law and the Articles of Association of the Company. The Company designated the Company Secretary to record the Minutes of Meeting as follows:

**The following directors attending the Meeting:**

1. Mr. Krirk-Krai	Jirapaet	Independent Director / Chairman of the Board
2. Mr. Vitoon	Vongkusolkrit,	Director / Vice Chairman
3. Mr. Somkiat	Chareonkul	Independent Director / Chairman of the Audit Committee
4. Mr. Anothai	Techamontrikul	Independent Director/ Chairman of the Corporate Governance and Nomination Committee
5. Mr. Rutt	Phanijphand	Independent Director / Chairman of the Compensation Committee
6. Mr. Montri	Mongkolswat	Independent Director
7. Mr. Teerana	Bhongmakapat	Independent Director
8. Mr. Rawi	Korsiri	Director
9. Mr. Chanin	Vongkusolkrit	Director and Chief Executive Officer
10. Mr. Metee	Auapinyakul	Director

11. Mr. Ongart	Auapinyakul	Director
12. Mr. Verajet	Vongkusolkrit	Director

**The following Management attending the Meeting:**

1. Mr. Somyot	Ruchirawat	Deputy Chief Executive Officer
2. Mr. Voravudhi	Linananda	Chief Operating Officer
3. Mrs. Somruedee	Chaimongkol	Chief Financial Officer
4. Mr. Sathidpong	Wattananuchit	Deputy Chief Executive Officer – Corporate Services
5. Mr. Akaraphong	Dayananda	Deputy Chief Executive Officer – Strategy and Business Development
6. Mrs. Udomlux	Olarn	Senior Vice President – Corporate Affairs
7. Mrs. Boonsiri	Charusiri	Company Secretary

**The following observer attending the Meeting:**

1. Ms. Pornpinant Asawawattanaporn	Baker & McKenzie Co., Ltd.
2. Mr. Youththachai Vitheekol	Baker & McKenzie Co., Ltd.

The Chairman informed the meeting for the governing rules of shareholder meetings described in details as appeared in the Enclosure No. 2 and 3 which had been sent to the shareholders together with the notice of this Meeting.

- Prior to the voting of any agenda, the Chairman will invite shareholders to ask questions.
- One share shall be entitled to one vote.
- Shareholder(s) who has/have special interest in any agenda, will not be eligible to the voting in the respective agenda.
- The Chairman will inform the Meeting that the voting of each agenda shall be made openly.
- Shareholders who disapprove or abstain voting of any agenda will be able to submit their votes in the voting ballots provided for shareholders while processing their registration. Such votes would be deducted from the total shares collected by the computerized database system during registration. The shareholders attending in persons who did not submit any voting ballots, it would be considered as agreement to particular agenda.

- The Chairman will announce the scores of the votes by specifying the number of votes which are in favor, against or abstained.
- The Chairman is empowered to issue meeting rules for the purpose of conducting the meetings in order and ensuring equitable treatment to all shareholders.

Then, the Chairman commenced the Meeting and conducted the following business agenda, in addition, there were additional shareholders attended during the meeting.

**Agenda 1. To acknowledge the minutes of the Annual General Meeting of Shareholders of 2013**

The Chairman informed the Meeting of the opinion of the Board of Directors that the minutes of the Annual General Meeting of Shareholders of 2013, which was held on 3 April 2013. The Board of Directors has considered and is of opinion that the minutes of the Annual General Meeting of Shareholders of 2013 prepared by the Company Secretary, correctly reflected the resolutions passed by the said Shareholders' Meeting, and proposed the Meeting to acknowledge the said minutes of Annual General Meeting of Shareholders of 2013, the copies of which had been sent to the shareholders together with the notice of this Meeting as per the Enclosure No. 1.

The Chairman invited the shareholders to ask questions or raise their observations. No questions being raised.

The Chairman, then, requested the Meeting to acknowledge the minutes of the Annual General Meeting of Shareholders of 2013.

**The Meeting resolution:**

The Meeting passed a resolution to acknowledge the minutes of the Annual General Meeting of Shareholders of 2013.

**Agenda 2. To approve the changing of the par value of the Company's shares.**

Chairman of the Meeting informed the Meeting that the Board of Directors, having considered the matter, was of the view that in order to increase trading liquidity of the Company's shares for the interest of shareholders and to respond to future circumstances, it was appropriate to propose to shareholders to

consider changing the par value of the Company's shares. The Chairman then asked Mr. Chanin Vongkusolkrit, Chief Executive Officer, to present details of the matter.

Mr. Chanin Vongkusolkrit, Chief Executive Officer, informed the Meeting that as coal prices in the world market had been weakening which affected the company's performances and as the Company's shares had been undervalued, the Company had resolved the matter by buying back 5 per cent of its total shares sold. The trading volumes of the Company's shares however significantly fell during the past year. Changing the par value of the Company's share would therefore be a tool to increase trading liquidity as well as to allow more investors to extensively hold its shares. The Board of Directors, having considered the matter, felt appropriate to propose to shareholders to change the par value from Baht 10 per share to Baht 1 per share to boost stock liquidity and to schedule September 13, 2013 as the closing date of the registration book for the right to an interim dividend payment on which the dividend would be paid on the basis of the original par value (Baht 10 per share).

If the Meeting resolved to approve the par value change with no less than three-fourths of the total shares held by shareholders attending the Meeting with right to vote, the Company would amend its Memorandum of Association (MOA) within 14 days from the day the Shareholders' Meeting approved so. It would then notify the change of its MOA and submit evidence to the Stock Exchange of Thailand (SET).

Trading of Banpu's shares with a new par value (Baht 1 per share) will be effective on September 26, 2013, details of which are as follows.

The changing of the par value of the Company's shares from Baht 10 each to Baht 1 each. Therefore, the registered ordinary shares will be changed from 354,050,479 shares to 3,540,504,790 shares and the paid-up ordinary shares will be changed from 271,747,855 shares to 2,717,478,550 shares.

With regard to the Company's capital, the registered ordinary share capital will be at Baht 3,540,504,790 and the paid-up ordinary share will be at Baht 2,717,478,550

The Chairman, then, requested the Meeting to approve the changing of the par value of the Company's shares.

The Chairman invited shareholders to ask questions or voice their observations. Shareholders raised some issues which were summarized as follows:

### **Banpu's policy regarding the repurchased shares**

1. Mrs. Varunee Tippayachai, a shareholder, recommended the Company to take profit by selling the repurchased shares when their prices were up before paying shareholders back as dividend; or it may cancel the treasury stocks to push the share value up. She believed that changing the par value would not help making the share price higher. Worse, the Company would end up having too many shares.
2. Mr. Methee Anadirekkul, a proxy from the Thai Investors Association, asked about the Company's policy after the par value change i.e. whether it planned to sell the 5-per cent treasury stocks bought back earlier; or it would decrease capital by cancelling the repurchased shares.

Mr. Chanin Vongkusolkiet explained that following a discussion with the Management, the Board of Directors approved to reduce the paid-up registered capital by cancelling 13.56 million shares bought back earlier to avoid any impact to the overall market in case these shares were sold. The capital reduction process however can be materialized only after the expiration of the 6-month period starting from the day the share repurchase was completed. After the capital reduction, Banpu would have 2,581.87 million ordinary shares which were considered an appropriate amount. As for the investor's recommendation that Banpu sell the repurchased shares and pay shareholders dividend, since the number of the treasury stocks was not much, share cancellation through the capital reduction would be better for the overall trading activity in the market.

### **Change of par value**

3. Mr. Supoj Pongkidakan, a shareholder, expressed his support for the change of par value where he made an observation that the Company's share price had been up since the day the firm notified the SET.
4. Mr. Somkid Wongpakorn, a shareholder, was of the opinion that the par value should be Baht 0.25 per share as this would later allow Banpu's share price to increase to Baht 7 or Baht 10.

Mr. Chanin Vongkusolkrit explained that based on a comparative study with other listed securities in the stock exchange, the Company found that a par value of Baht 1 per share was more appropriate and convenient for calculation than a par value of a fraction of one Baht.

### **Share price after the par value change and future strategy**

5. Mrs. Nuanchan Poonpatanapreecha, a shareholder, asked and also suggested the following: (1) Direction of the stock price after the par value change; (2) other actions the Company had taken to retain shareholders' future confidence in its operation aside from conducting the coal business; and (3) that food offered to meeting participants be improved.
6. Mr. Chatuporn Ruengwises, a shareholder, viewed that the change of the Company's par value would have no negative effect to Banpu's business. He recommended the Company to notify the SET so that shareholders learn about Banpu's future strategy and prospect both as a power producer and power supplier.

Mr. Chanin Vongkusolkrit explained that weakening coal prices in the world's market remained a factor that would affect Banpu's share price in the future. It was expected that the coal price would only slightly increase until early next year. The price of coal with 6,700 Kcal GAR at Newcastle FOB was around US\$78-79 per ton. The coal market was still much pressured by existing supplies. That's why Banpu needed to adapt itself to circumstances in the coal markets as well as to changes in related currencies. As the US economy was expected to recover and the US Federal Reserve may reduce QE which however had already depreciated the Australian dollar, the cost of coal production in Australia thereby went down, prompting supply to remain higher than market demand. At the same time, coal buyers from India tended to have lower demands due largely to the depreciation of the Indian Rupee.

Under these circumstances, the Management had already taken various actions to improve the situation; namely, delaying investments, tightening up belt in every department which would continue into next year; changing certain proportion of its debts into US dollar and turning interest into fixed rate. In any case, Banpu should see its income rise from the Hongsa Power Plant project which would start operating in 2015. In the future, the Company plans to additionally invest in the

power business. Meanwhile, he acknowledged the shareholder's advice on the issue of food for further consideration when organizing the next Shareholders' Meeting.

7. Mrs. Orasa Chuangchai, a shareholder, asked about Banpu's future actions to increase its share value. She inquired whether or not the Company had already considered the following: (1) Investment in other alternative energy aside from coal and power plants; (2) transforming coal in Mongolia into oil; and (3) developing unused coal mine to add value.

Mr. Chanin Vongkusolkrit explained that the Company had a long-term strategic plan to invest in renewable energy. So far, it has tried wind power and has formed a joint venture to manufacture ethanol but the operations are not large enough to replace the Company's existing business. To invest in the alternative energy, the Company has to take into account its expertise and potential risks. As for the technology that could transform coal into tar which would then be used to produce oil and other products, indeed, there are high demands in China but the Company is currently studying production technology of the project.

8. Mr. Worawit Thamaree, a shareholder, asked whether or not shale gas found in the US would affect the Company's business.

Mr. Chanin Vongkusolkrit explained that shale gas would increase energy supply and may affect the Company in the long run since it's manufactured and transported through pipeline similar to Liquefied Natural Gas (LNG) imported to generate electricity. Yet, shale gas has a restriction with regard to manufacturer's cost management since developers need to rent land for drilling purpose and no huge amount could be produced at one time as compared to conventional gas usually found in extended natural gas reservoir since most shale gas reservoirs are in small wells extended in vast areas. Besides, there is also an issue of population in countries where shale gas is found which must be large enough for the gas to be developed. The Management would need to conduct a comprehensive study of shale gas which must not limit only to effects towards the coal business.

9. Mr. Chirapan Buaboocha, a proxy, asked about any negative outcome from the change of par value and effect to existing shareholders. He also asked about the share's book value.



Mr. Chanin Vongkusolkrit explained that the change of par value would increase the number of Banpu's shareholders. As a result, the Company would have to get ready to communicate with more shareholders. This would also mean higher expenses such as payments of dividend and expenses in mailing documents to shareholders. As for the current book value, based on 271 million shares, the book value is Baht 308.14 or US\$9.9 per share. Following the treasury stock cancellation where there shall remain 258 million shares, the book value will be Baht 324 or US\$10.42 per share.

10. Mr. Arun Niramondee, a shareholder, asked a reason why this Extraordinary Shareholders' Meeting had to be held so urgently and thereby caused the Company some meeting expenses. As a matter of fact, the par value change could have sought approval from the 2014 Annual General Meeting (AGM) of Shareholders.

Mr. Chanin Vongkusolkrit explained that due to the volatility of coal prices which continued to affect Banpu's share price, it would be better to speedily manage the situation. Changing the par value was one of the tools that the Company would implement along with other business and marketing strategies. That's why the Company organized the Extraordinary Shareholders' Meeting (EGM) to seek shareholders' approval.

## **Litigation**

11. Mrs. Varunee Tippayachai, a shareholder, asked about the progress of the Hongsa Power Plant project litigation as she believed that this had an impact to the Company's share price.
12. Mr. Lilit Boonyakulsirung, a shareholder, shared a view that a compromise should be used instead of pursuing a harsh means as in the case of having litigation that could last a long time.
13. Mr. Chatuporn Ruangwises, a shareholder, asked whether or not in this case the Laos Government was to pay the damages as well. He made an observation that if one had read the annual report; he would have found that the Company had constantly disclosed information of the litigation starting in the 2008 Annual Report. Although Banpu's price was down, he still continued to buy more of Banpu shares since it was notified in the report of change of equity held by company executives (Form 59-

2) that Banpu's executives still bought up additional shares of Banpu. As such, he urged shareholders to remain confident and trustful in the Management.

14. Mr. Sitthipat Traipong asked whether or not Banpu had any other environmental-related litigation or any court case with material implication aside from the Hongsa Project litigation.

Chairman of the Meeting explained that currently the Hongsa case was under the Appeals Court's consideration which may take years. Banpu had disclosed information through various media including its website and that of the SET. He urged shareholders to remain confident that the Company had duly proceeded according to the justice process and relevant laws in which the Company truly believed.

Mr. Chanin Vongkusolkrit explained that Mr. Siva's claim for damages from the Laos Government was another court case separate from the case he had sued the Company. The case against the Laos Government was currently at the Arbitration Tribunal in Kuala Lumpur, Malaysia, where damages from the contract termination was claimed from the Laos Government.

Mr. Chanin Vongkusolkrit entrusted the Legal Department to further explain that Banpu currently has three litigations in Thailand, one of which is the Hongsa case while the remaining two involve cars belonged to its mine and the cases are currently at the Supreme Court. The Company has no environmental-related court cases.

The Chairman invited the shareholders to ask questions or raise their observations. No questions being raised. The Chairman, then, requested the Meeting to approve the changing of the par value of the Company's shares.

## Meeting Resolution

After due consideration, the Meeting passed a resolution approve the changing of the par value of the Company's shares by not less than three-fourths of the shareholders who attend the meeting and have the right to vote.

as follows:

<b>Resolution</b>	<b>Total Votes (1 share = 1 vote)</b>	<b>Per cent of the total votes of shareholders attending the Meeting and entitle to vote</b>
1. Approved	97,384,679	99.75
2. Objected	148,761	0.15
3. Abstained	97,150	0.10

**Remark:** During the conduct of this agenda, there were additional shareholders attending the Meeting, representing 1,271,119 shares. Thus, the total number of shares present in the Meeting were 97,630,590 shares.

There was abstained voting to submit lately between the chairman was going to agenda 2. Anyway, the chairman gave permission to conclude already the 20,400 abstained voting into the above result.

### **Agenda 3. To approve the amendment to Clause 4. of the Memorandum of Association of the Company to be in accordance with the changing of the par value of the Company's shares**

The Chairman advised that this agenda is in accordance with the changing of the par value of the Company's shares in agenda 2, the shareholders should approve the amendment to Clause 4 of the Memorandum of Association of the Company re: Registered Capital to be in accordance with the changing of the par value of the Company's shares as follows:

Clause 4. Registered capital of	Baht 3,540,504,790	(Three thousand five hundred forty million five hundred four thousand and seven hundred ninety Baht)
Divided into	3,540,504,790 shares	(Three thousand five hundred forty million five hundred four thousand and seven hundred ninety shares)
with a par value of	Baht 1	(One Baht) each, categorized into
Ordinary shares in the number of 3,540,504,790 shares		(Three thousand five hundred forty million five hundred four thousand and seven hundred ninety shares),
Preference shares in the number of -		

Mr. Chanin Vongkusolkrit further explained that there were 271,747,855 ordinary shares issued and paid up prior to the par value change, which, following the change, would amount to 2,717,478,550 shares. Meanwhile, the treasury stock after the par value change would amount to 135,600,000 shares which after being cancelled through the capital reduction would result in the Company having a total of 2,581,878,500 ordinary shares issued and paid up.

Chairman of the Meeting asked the Meeting to approve the amendment of Clause 4 of the Company's Memorandum of Association (MOA) to correspond to the par value change.

The Chairman asked the Meeting to make additional questions and comments which shareholders did. The Board of Directors and the Management by entrusting the Legal Department clarified the matters, details of which can be summarized as follows.

1. Mr. Methee Anadirekkul, a proxy from the Thai Investors Association, asked whether or not the Company had to seek an approval from the Shareholders' Meeting again for the reduction of the paid-up capital as he was concerned that if today's meeting was asked to resolve this issue, it would mean that the meeting's agendas had to be added.

The Legal Department explained that it's the authority of the Board of Director to reduce capital when not all or no treasury stock could be sold without having to seek approval from the shareholders' meeting. At the expiration of the six-month period from the day the share repurchase was completed, the Company may apply for change of the registered capital with Ministry of Commerce within a deadline and under procedures required by the law.

2. An unidentified shareholder asked when the new registered capital would take effect after the Company cancelled the repurchased shares by reducing its capital.

The Legal Department answered that Banpu completed its share repurchase program in mid July 2013 and it would cancel the buyback shares by reducing the capital when the six-month period starting from the day the share buyback was completed becomes due. As a result, the Company would commence a capital reduction process in mid January 2014. The number of repurchased shares by the Company after the par value change would be 135,600,000 shares.

3. Mr. Wallop Charatchimpleekul, a shareholder, asked about expenses involving the change of the Company's par value.

The Legal Department answered that registering fees and expenses for capital reduction with Ministry of Commerce would not be as much as those charged for capital increase where the expense would be based on the registered capital to be increased as required by the Ministry.

The Chairman, then, requested the Meeting to approve the amendment to Clause 4. of the Memorandum of Association of the Company re: Registered Capital to be in accordance with the changing of the par value of the Company's shares.

### **Meeting Resolution**

After due consideration, the Meeting passed a resolution approve the amendment to Clause 4. of the Memorandum of Association of the Company re: Registered Capital to be in accordance with the changing of the par value of the Company's shares by not less than three-fourths of the shareholders who attend the meeting and have the right to vote.

<b>Resolution</b>	<b>Total Votes (1 share = 1 vote)</b>	<b>Per cent of the total votes of shareholders attending the Meeting and entitle to vote</b>
1. Approved	97,558,389	99.91
2. Objected	16,601	0.02
3. Abstained	65,950	0.07

**Remark:** During the conduct of this agenda, there were additional shareholders attending the Meeting, representing 10,350 shares. Thus, the total number of shares present in the Meeting were 97,640,940 shares.

### **Agenda 4. Other businesses (if any)**

The Chairman advised that this agenda was provided for shareholders to ask questions and/or for directors to clarify any queries of the shareholders (if any). No issue would be proposed for consideration and approval, and therefore, no voting would be made.

The Chairman invited the shareholders to ask questions and voice their additional observations.

1. Mrs. Varunee Tippayachai, a shareholder, asked and recommended the following: (1) The Company should study an innovation to transform coal into a clean energy for the purpose of power generation; (2) regarding the litigation in the Hongsa Power Plant project, which law firm the Company had hired and for how much. She asked that information such as documents submitted to the court, the Plaintiff's complaint and the Defendant's testimony be revealed since the Court had made a decision that involved a huge amount of damages. She asked the Company to authorize her to analyze the damage under this case.

Mr. Chanin Vongkusolkrit explained that the Company had indeed various types of innovation and it actively promoted innovation as one of the four core values for corporate practice. As for damages under the Hongsa case, the Court of First Instance ruled that Baht 2 billion be compensated as cost of information, Baht 2 billion as cost of investment and that opportunity loss for 25 years be paid at the rate of Baht 860 million a year from 2015-2027 and Baht 1.380 billion a year from 2028-2039 totaling approximately Baht 31 billion.

At present, the case is not yet finalized and therefore nothing is definite.

As for an allowance to be set aside for the matter, several parties including the auditing company had contemplated the option before everyone agreed that as the case was not yet finalized and the issue did not subject to a requirement to set aside an allowance to comply with an accounting standard, no provision would be made at the moment.

As for authorizing the shareholder to review details of the case, the Company did have people who oversaw the matter on behalf of shareholders; namely, the Company's Legal Department, legal advisory firm, auditor and the Securities and Exchange Commission (SEC). The Company could not reveal details of the law firm nor legal expense but the amount was not much and it had been booked as an expense. Yet, if the shareholder wished to learn more information of the matter, the Company had already disclosed it in the SET news, Annual Report and Notes to the Financial Statements.

2. Mr. Somwang Poonsombat, a shareholder, made an observation that the Company's share price would vary according to business cycle. He believed that the price had reached its bottom and therefore would bounce back in the future. He urged shareholders to trust the Board of Directors and the Management.
3. Mr. Vichai Charoenpong, a shareholder, asked about the Australian Government's plan to abolish the carbon tax and how this would affect the Company.

Mr. Chanin Vongkusolkit explained that the previous Australian government planned to charge a carbon tax from industries emitting CO<sub>2</sub> at the rate of A\$23-24 per ton. If realized, the cost of carbon tax of the Company's coal business would be around A\$1-2 per ton out of the total 14.6 million tons of coal it could produce. However, the Australian government would subsidize the firm during the first six years which would make the carbon tax not exceeding A\$0.5 per ton. Meanwhile, the cost of carbon tax would limit to mines to the east of Australia only. In other words, no mine in Western Australia would be entrusted this cost. The cancellation of carbon tax would lower the Company's production costs. Besides, abolishing the carbon tax would affect Australia's economy as it would help recovering Australia's industrial sector and increase demands for energy.

4. Mr. Worapoj Chanyangyuen, a shareholder, asked how much the Company would have to invest before the Hongsa Power Plant would start generating power; and whether or not it needed to increase the capital or issue debenture for the matter.

Mr. Chanin Vongkusolkit explained that the Hongsa Power Plant project, which is valued at US\$3.7 billion, is a coal-fired 1,878-Mw power plant. While the Company and Ratchaburi Electricity Generating Holding Plc (RATCH) each hold 40 per cent of its shares, the remaining 20 per cent is currently held by the Laos Government. The project is scheduled to start its commercial operation in 2015 and the construction has progressed for 63 per cent at the moment. The Company is to pay approximately US\$340 million based on its investment ratio when the construction of the power plant is completed and the plant is ready for commissioning. It is expected that no capital increase is required. Mr. Chanin Vongkusolkit additionally explained that the Company had changed the operating currency and presented the financial statements in US dollar so as to correspond to most of

the Company's revenues and expenses which were in US dollar. This would affect shareholders' equity but the Company would properly manage it.

5. Mr. Sirapob Apilertworakorn, a shareholder, asked which executive was assigned as Centennial's director and how the Company monitored Centennial's operation.

Mr. Chanin Vongkusolkiet explained that most directors of Centennial came from the Company. In addition, there were two Thai-national executives there. The Company monitored Centennial's operation through the Board of Directors as well as through a monthly video-conference meeting with Centennial's executives. The Company currently focused at business strategies and proper cost management. At present, its business plan and management direction are efficient and in line with the Company's policy.

6. Mrs. Suwanna Mongkoldisak, a proxy, asked the following questions: (1) at present, the cost of coal production was US\$70 per ton while sales price was around US\$78-79 per ton. She asked whether the cost would possibly be higher than the sales price; and (2) the possibility for coal to be entirely replaced by shale gas.

Mr. Chanin Vongkusolkiet explained that the Company continued to lower its production costs which had already become its strategic plan for the upcoming year. Coal was produced in Indonesia at an average cost of US\$70 per ton in 2012 and this was planned to be lowered to US\$63 per ton this year (2013). As for its Australian coal business, during the past year, the Company finally resolved operation problems of certain mines which sold approximately 9.5 million tons of coal locally under the contracts entered before the Company acquiring Centennial at averagely low sales prices. As these contracts were about to be gradually expired, new prices would be set which would result in additional incomes. As for coal exported to end users in Japan, sales price would be based on the JPU Index. This amounted to 5 million tons and the price was fixed on an annual basis at the rate of approximately US\$90 per ton this year. As such, sales price of the Japan-bound coal would not be greatly affected by the index price.

At present, the world imports and exports around 900 million tons of coal per year while worldwide demands for coal are around 5-6 billion tons a year where China alone demands approximately 3.5



billion tons of coal annually. If India needs to generate more power, the country would need more coal. International Energy Agency (IEA) reports the growth rate of coal at around 2 per cent per year from now until 2020. As a result, it's not possible that gas and other alternative energies would largely replace coal as their costs of production remain high.

7. Mr. Thammasan Settaporn, a shareholder, asked the following: (1) which type of fuel most of the Company's power business used; (2) how the Company would increase income from the power business; and (3) how the Company fixed sales price of its electricity and whether this could be negotiated.

Mr. Chanin Vongkusolkiet explained that most power plants were coal-fired. The BLCP Power Plant situated in the Mab Ta Phut Industrial Estate, Rayong Province, in which the Company held 50 per cent of its shares, had a total production capacity of 1,434 megawatts and continued to record an excellent performance for the seventh consecutive year. In China, the Company owned three coal-fired power plants which generated power and steam as a basic infrastructure service to accommodate demands during winter. The three had a total production capacity of 400 megawatts and they also recorded quite high profit this year thanks to the weakening price of coal. As for Hongsa, the project was a 1,878-Mw mine-mouth power plant.

In the future, the Company will consider investing in the power business in which it has a lot of expertise which needs not be a coal-fired power plant. Banpu may buy existing power plant or build a new one. It will also try to increase the profit ratio of the power business to 40 per cent.

Meanwhile, electricity sold from the BLCP Power Plant and the Hongsa Power Plant is governed by sales agreements which divide payments into two portions; namely, availability payment (AP) and energy payment (EP). Price of electricity in China on the other hand is governed and controlled by the Chinese government.

8. Mr. Sanya Sakolkaruehadej, a shareholder, asked if the Company had any plan to drive the share price by offering warrants to existing shareholders.

Mr. Chanin Vongkusolkrit explained that as the coal market was currently weakening, the Company with its right financial structure may try to seek quality coal resources to strengthen the growth of the Company's core business.

9. Mr. Suriyon, a proxy, asked the following questions: (1) the latest development concerning the Hongsa Power Plant litigation; (2) if the Company was to pay the damages, from which funding source it would pay the damages; and (3) he suggested that information service offered by Investor Relations (IR) be improved as he found it difficult to seek information there.
10. Mr. Wasan Pongputtamon, a shareholder, asked the following: (1) If the Appeals Court upheld the decision of the Court of First Instance, whether or not the Company would set aside an allowance for the damages incurred in the Hongsa case; or whether it would do so when the case was finalized at the Supreme Court; (2) how the allowance, if being set aside, would affect the Company's book value; (3) if there was any other litigation which may have an important implication in terms of expense to the Company's future performance; and (4) Centennial's current price vis-à-vis that at the time of acquisition.

Mr. Chanin Vongkusolkrit explained that the damages in this case were around Baht 31 billion and the Company would appraise its book value when the case became final. However, the case is currently under the Court's consideration. Compensation, if made, would be paid on an annual basis and for a period that's still so many years from now.

Regarding Centennial's value, the Company assessed its coal price when acquiring Centennial in 2010 during which the coal price was around US\$90-100 a ton. At present, the 2014 price of coal is US\$82 a ton.

He acknowledged the proxy's recommendation regarding IR's information service for further improvement.

11. Mr. Sittipat Traipong, a shareholder, asked if the Company and its subsidiaries had any litigation relating to an environmental issue with material implication. He also asked about the progress of a

litigation involving land sales and purchase in Indonesia as stated in the 2013 Annual Report that the case was currently at the Supreme Court.

Mr. Chanin Vongkusolkiet designated the Legal Department to answer that the Company and its subsidiaries had no litigation in relation to the environmental issue under which it sued or was sued. As for litigation overseas, most involved the Company's subsidiaries being sued for breaching contract or tort that had no material implication. Regarding the progress of the land-related case asked by the shareholder, the subsidiary had already been ruled by the Supreme Court to win the case. In Indonesia, there were two ongoing litigations and both of them were at the Supreme Court where the total cost of the two court cases was around US\$1 million. Banpu's subsidiaries won both cases at the lower courts.

12. Mr. Chatuporn Ruengwises, a shareholder, suggested that in Hongsa case, the Company should seek a special resolution from shareholders to pay dividend to existing shareholders and to pay coal as compensation to the adverse party.
13. Mr. Nopparat Piriyaertsak, a shareholder, asked about the background and a relationship between the Plaintiff and the Company in the Hongsa Power Plant case.

Chairman of the Meeting explained that the Plaintiff was a concessionaire of the Laos Government for 13 years with no particular outcome before it persuaded Banpu to jointly develop the project. Subsequently, the Plaintiff terminated the contract executed with Banpu. Considering that the concession had no progress, the Laos Government terminated the concession contract with the Plaintiff and rebid the project. Banpu was awarded the project and became a new concessionaire of the Laos Government. The Plaintiff subsequently filed a legal action against Banpu for which the Court of First Instance later made a decision as already reported in the news. As for the latest development, at present, the Company has already completed its appeal in April this year and the case is currently at the Appeals Court.

### **Book Value**

14. Mr. Decha Sutharachun, a shareholder, asked the following: (1) why shareholders' equity and book value in Q2/2013 were down compared to that at the end of 2012. To elaborate, shareholders' equity

shown on the SET's website was Baht 72,570.12 million and Baht 77,302.27 million; while the book values during the mentioned periods were Baht 277 and Baht 285 per share, respectively; (2) Chief Executive Officer however informed shareholders that shareholders' equity was around Baht 83 billion and the latest book value was Baht 324 per share. He asked why the information failed to match.

15. Mr. Chairat Palatikanon, a shareholder, offered a recommendation regarding an allowance to be set aside for the Hongsa project. Aside from Baht 31 billion worth of damages decided by the court, this did not yet include interest to be paid from the day the case was filed until all payment was made. As a result, this could materially affect the Company's future performance if the court ordered Banpu to pay the damages. He asked (1) whether or not the Company held shares in Banpu International Co Ltd and Banpu Power Co Ltd. As such, the Company had to be liable to the damages as claimed by the Plaintiff. He asked if the Laos Government had to be jointly liable to this; and (2) why the book value and shareholders' equity given to shareholders did not match what was posted in the SET's website.

Mr. Chanin Vongkusolkiet explained that at present, the case was under the consideration of the Appeals Court; no detailed information could be disclosed.

Mrs. Somruedee Chaimongkol, Executive Vice President, Finance, explained that the Company's financial information posted in the SET's website was divided to a separate financial statement (of the Company only) and a financial statement of the Company and subsidiaries (consolidated financial statements). To communicate financial ratios with shareholders, the Company used figures from consolidated financial statements. As a result, shareholders' equity and book value mentioned earlier by the CEO were from consolidated financial statements. But those from the SET website as pointed out by shareholders came from separate financial statements. Besides, when comparing with the period as of end of 2012, shareholders' equity in Q2/2013 fell by Baht 5 billion as a result of the impact from exchange rates of the currency booked in the financial statements through conversion.

Chairman of the Meeting asked the Meeting for additional questions and advice but there was no further question.

The Chairman thanked shareholders for attending the meeting and offering valuable advice. The Board of Directors had not ignored problems and clearly understood the feeling of shareholders who had invested in the Company's shares when the economy was strong. At present, as the global economy was weakening while coal prices remained volatile, the Company had tried to reduce production costs and delayed investments but this was still not enough since the cost was cut by more than 11 per cent as compared to the fall of coal prices averaged at 30 per cent. Yet, the Company remained very confident in the potential of the coal business, the power business and the energy business as well as in everyone's determination. Shareholders were urged to be confident in directors and executives who would oversee the business to ensure that it continued to generate returns for shareholders.

The Chairman informed the Meeting that the Company would prepare the minutes of the Extra General Meeting of Shareholders no.1/2013 within 14 days from the date of the Meeting, which would be posted on the Company's website at [www.banpu.com](http://www.banpu.com). The shareholders who would like to propose a material amendment of minutes of shareholders meeting, please inform the Company Secretary at [bod\\_sec@banpu.co.th](mailto:bod_sec@banpu.co.th) within 30 days after the dissemination

The Chairman asked whether there was any question to be raised, but no shareholder raised any issue. Thus, the Chairman declared the meeting adjourned.

The meeting was adjourned at 15.35 p.m.

Signed                      - signature -                      Chairman of the Meeting  
(Mr. Krirk-Krai Jirapaet)  
Chairman of the Board

Signed                      - signature -                      Secretary to the Meeting  
  
(Mrs. Boonsiri Charusiri)  
Company Secretary  
Minutes Recorder